



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 17, 2011

Certified Return Receipt
7009 3410 0001 4203 1492

Linda Shum
Zions Bank
International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071

Subject: Non-Renewal of Letter of Credit # , BMW Stone, Inc., Brown's Canyon Mine,
M/043/0021, Summit County, Utah

Dear Ms. Shum:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated March 10, 2011, regarding non-renewal of Letter of Credit # _____ in the amount of \$85,900.00. The mine operator, BMW Stone, Inc., is being advised that a replacement surety must be provided by May 9, 2011. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$85,900.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for itself to be used for reclamation of the Brown's Canyon Rock Quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

We are anticipating that the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable.

Thank you. If you have any questions, please feel free to call me at (801) 538-5261.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Letter dated March 10, 2011

Cc: Mark Willes, BMW Stone

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